

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

TO: Chief Procurement Officer

'03 AUG 13 AM 11:53

FROM: Department of Health/Child and Adolescent Mental Health Division
(Department/Division/Agency)

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Description of health and human services:

The purpose of this request is to pay for Community-Based Residential Services (CBR), also known as Special Treatment Facility (STF) services that have already been provided to Felix Class youth with an authorized Individualized Education Program (IEP) and/or Coordinated Service Plan (CSP). Special Treatment Facility service is guided through the Child and Adolescent Mental Health Division (CAMHD), Clinical Standards Manual Services which is described as a twenty-four hour highly structured daily programming, close supervision, educational services, and integrated service planning for severely emotionally/behaviorally disturbed or developmentally disabled youth unable to function in a less restrictive setting.

Name of Service Provider Rainbow Rehabilitation Services, Inc., dba Rainbow House (RH)	Cost: \$40,312.00	Term of Contract: From: November 1, 2002 To: December 8, 2002
--	-----------------------------	--

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

This request is for STF services provided from November 1, 2002 through December 8, 2002, and determined to be clinically necessary for transition of youth into appropriate placements. Services provided are mandated under the provision granted in the Felix Consent Decree.

On March 4, 2002, the CAMHD published a Request for Proposals (RFP) HTH 460-02-02 under the health and human services competitive procurement method for Emergency and Intensive Mental Health Services for Children, Youth and Families. The start date published for contracted services is July 1, 2002. Proposals submitted were evaluated in accordance with the criteria specified in the request for proposals. Three bidders protested the findings and decisions statement resulting in the suspension of awards. An exemption was granted to extend the time of performance of selected contractor (including RH) from July 1, 2002 through October 31, 2002.

On July 5, 2002, a written decision from the Head of the Purchasing Agency directed the CAMHD to re-evaluate to resolve the protested matter. The CAMHD agreed to re-evaluate proposals for CBR services for Oahu only. On August 21, 2002, the CAMHD issued a statement of findings and decisions to award RH for CBR Services. RH was immediately notified of the award. In a letter dated August 21, 2002, RH announced withdrawal of protest, and acknowledged that the new contract must be executed before November 1, 2002 for services to continue. On September 6, 2002, the CAMHD sent out a letter stating that the CAMHD "will not transmit to you an Agreement for signature until such time that CAMHD is in receipt of proof" of the following documents: proof of national accreditation (JCHAO, CARF, or COA); certificate of good standing; certificate of insurance; and a valid tax clearance certificate. Since proof of accreditation from a national organization was not provided, the CAMHD offered RH a one month contract to transition youth out of the program to clinically appropriate placements. RH refused to enter into agreement for 30 day (for the month of November) with the State and insisted that the term of the Agreement be revised to June 30, 2003.

The CAMHD then quickly worked with the FGC and IEP team to transition youth. In spite of RH refusal to agree with the State's terms and conditions, the State is still obligated to provide mental health services under the Felix Consent Decree to youth with an authorizing IEP and/or CSP and pay for mental health services. The total amount outstanding is \$40,312.00. We are requesting authorization to pay for CBR services from November 1, 2002 through December 8, 2002.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open *competition as practicable:

N/A

A description of the state agency's internal controls and approval requirements for the exempted procurement:

Since proof of accreditation from a national organization was not provided during the procurement period, the CAMHD worked on updating the IEPs to transition youth. At times, the RH prevented youth in the home from attending IEP meetings, resulting in delays in updating the IEP in a timely manner, and delays in allowing youth to transition into other placements. The CAMHD offered to contract with RH to transition youth placed in the program for 30 day (for the month of November) with option to extend the Agreement if proof of national accreditation was provided. However, the RH refused to accept the State's contract terms and conditions. The total amount outstanding for CBR services to Felix Class youth is \$40,312.00.

Under no situations or conditions did the CAMHD attempt to circumvent the State's procurement rules and regulations.

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Christina Donkervoet, CAMHD Chief
Craig Kodama, Contracts Specialist
Nona Meyers, Contracts Specialist
T. Orvin Fillman, Dr.P.H., Public Health Administrative Officer

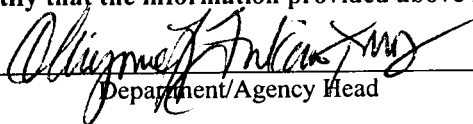
Direct questions to:	Phone Number:
Craig Kodama, Contracts Specialist	733-9338
Nona Meyers, Contracts Specialist	733-8386
T. Orvin Fillman, Dr.P.H., Public Health Administrative Officer	733-8370

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR:

Yes ☐

No ☒

I certify that the information provided above is to the best of my knowledge, true and correct.


Department/Agency Head

AUG 12 2003

Date

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied


Chief Procurement Officer

8/14/03

Date

cc: Administrator
State Procurement Office